



# **CUSTODIAN AND ALLIED PLC**

## **CONSOLIDATED FINANCIAL REPORTS**

**FOR THE PERIOD ENDED**

**31 March 2015**

**CUSTODIAN AND ALLIED PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31st March, 2015**

	Note	GROUP		COMPANY	
		31 March 2015 2015 =N='000	31 Dec 2014 2014 =N='000	31 March 2015 =N='000	31 December 2014 =N='000
<b>Assets</b>					
<b>Non-current assets</b>					
Statutory deposits	15	850,000	850,000	-	-
Property, plant and equipment	14	2,431,506	2,469,421	36,292	39,541
Intangible assets	13	76,982	84,362	-	-
Investment properties	12	7,340,108	7,350,811	3,537,878	3,515,000
Investment in subsidiaries	10	-	-	6,209,669	6,209,669
Investment in associates	11	668,166	668,166	409,891	409,891
Reinsurance assets	7	7,048,627	7,760,736	-	-
		18,415,389	19,183,496	10,193,730	10,174,101
<b>Current assets</b>					
Other receivables and prepayments	9	958,956	1,117,538	33,310	104,122
Deferred acquisition costs	8	697,304	556,955	-	-
Financial assets	5	12,862,505	11,946,916	53,980	52,405
- Equity : Fair Value through Profit or Loss (FVTPL)		813,385	836,536	52,216	50,575
Available For Sale (Cost)		4,090,250	4,083,178	-	-
- Debt : Held to Maturity		7,904,260	6,971,249	-	-
: Loans and Receivable		54,610	55,953	1,764	1,830
Trade receivables	6	141,512	191,479	-	-
Cash and cash equivalents	4	17,512,310	15,868,039	1,889,456	1,807,249
		32,172,587	29,680,927	1,976,746	1,963,776
<b>Total Assets</b>		<b>50,587,976</b>	<b>48,864,423</b>	<b>12,170,476</b>	<b>12,137,877</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Issued share capital	23	2,940,933	2,940,933	2,940,933	2,940,933
Share premium	24	6,405,632	6,405,632	6,405,632	6,405,632
Treasury Shares	26	(140,120)	(140,120)	(140,120)	(140,120)
Retained earnings	25	8,885,511	7,837,331	2,151,742	2,141,305
Contingency reserve	25	5,175,191	4,779,369	-	-
Other components of equity	25	-	-	-	-
Available-for-sale reserve	25	620,784	663,711	-	-
<b>Equity attributable to owners of the parent</b>		<b>23,887,931</b>	<b>22,486,856</b>	<b>11,358,187</b>	<b>11,347,750</b>
Non-controlling interests		591,577	547,139	-	-
<b>Total equity</b>		<b>24,479,508</b>	<b>23,033,995</b>	<b>11,358,187</b>	<b>11,347,750</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	22	2,095,368	2,125,363	-	-
Deferred tax liabilities	21	578,819	578,818	268,272	268,272
Investment contract liabilities	17	2,757,736	3,030,332	-	-
Total non-current liabilities		5,431,923	5,734,513	268,272	268,272
<b>Current liabilities</b>					
Insurance contract liabilities	16	16,643,469	15,806,783	-	-
Trade payables	18	937,729	1,709,081	-	-
Other payables	19	1,657,398	1,481,604	445,501	433,986
Current income tax	20	1,437,949	1,098,447	98,516	87,869
Total current liabilities		20,676,545	20,095,915	544,017	521,855
<b>Total liabilities</b>		<b>26,108,468</b>	<b>25,830,428</b>	<b>812,289</b>	<b>790,127</b>
<b>Total equity and liabilities</b>		<b>50,587,976</b>	<b>48,864,423</b>	<b>12,170,476</b>	<b>12,137,877</b>

CUSTODIAN AND ALLIED PLC  
STATEMENT OF COMPREHENSIVE INCOME  
FOR PERIOD ENDED 31 MARCH 2015

Notes	GROUP			COMPANY			
	31 MAR, 2015	31 MAR, 2014	31 DEC, 2014	31 MAR, 2015	31 MAR, 2014	31 DEC, 2014	
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	
	UNAUDITED	AUDITED		UNAUDITED	AUDITED		
<b>Gross Revenue</b>	26	6,490,609	6,703,196	25,200,119	72,368	137,103	2,324,092
Operating Expenses	27	(3,431,241)	(4,333,879)	(16,596,909)	-	-	-
Net fair value gains/(losses)	28	1,692	-	646,143	1,692	-	440,358
Net realised gains/(losses)	29	3	-	6,173	3	-	4,356
Management expenses	30	(1,163,329)	(1,010,294)	(4,118,179)	(53,626)	(30,966)	(206,862)
Finance costs	31	(29,995)	(25,589)	(100,129)	-	-	-
Share of Result of Associate		-	-	111,528	-	-	-
<b>Profit before taxation</b>		1,867,739	1,333,434	5,148,746	20,437	106,137	2,561,944
Income tax expenses		(379,298)	(212,607)	(1,060,043)	(10,000)	-	(332,986)
<b>Profit after taxation</b>		1,488,441	1,120,827	4,088,703	10,437	106,137	2,228,958
<b>Other comprehensive income:</b>							
Net gain/(losses) on available-for-sale assets, net of tax	32	(42,927)	-	460,144	-	-	-
<b>Other comprehensive income for the period, net of tax</b>		(42,927)	-	460,144	-	-	-
<b>Total comprehensive income for the period, net of tax</b>		1,445,514	1,120,827	4,548,847	10,437	106,137	2,228,958
<b>Profit attributable to:</b>							
- Owners of the parent		1,401,076	1,088,234	4,393,885	10,437	106,137	2,228,958
- Non-controlling interests		44,438	32,593	154,962	-	-	-
		1,445,514	1,120,827	4,548,847	10,437	106,137	2,228,958
<b>Earnings/(loss) per share:</b>							
Basic earnings/(loss) per share (kobo)	33	24	19	70	0	2	40
Net assets per share		406	342	398	193	174	203

**CUSTODIAN AND ALLIED PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR PERIOD ENDED 31 MARCH 2015**

<b>GROUP</b>	<b>Attributable to owners of the Parent</b>									
	<b>Issued share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Contingency reserve</b>	<b>Other Components of Equity</b>	<b>Treasury Shares</b>	<b>Available-for-sale reserve</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
<i>At 1 January 2015</i>	2,940,933	6,405,632	7,837,331	4,779,369	-	(140,120)	663,711	22,486,856	547,139	23,033,995
Profit for the year	-	-	1,444,002	-	-	-	-	1,444,002	44,438	1,488,440
Change During the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	(42,927)	(42,927)	-	(42,927)
Goodwill arising on Consolidation	-	-	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	(395,822)	395,822	-	-	-	-	-	-
	2,940,933	6,405,632	8,885,511	5,175,191	-	(140,120)	620,784	23,887,931	591,577	24,479,508
Dividend Paid	-	-	-	-	-	-	-	-	-	-
<i>At 31 March 2015</i>	2,940,933	6,405,632	8,885,511	5,175,191	-	(140,120)	620,784	23,887,931	591,577	24,479,508
<i>At 1 January 2014</i>	2,940,933	6,405,632	5,554,468	4,128,408	-	(140,120)	203,567	19,092,888	429,926	19,522,814
Profit for the year	-	-	3,933,741	-	-	-	-	3,933,741	154,962	4,088,703
Other Comprehensive Income	-	-	0	-	-	-	460,144	460,144	-	460,144
Transfer between reserves	-	-	(650,961)	650,961	-	-	-	-	-	-
Dividends Paid	-	-	(999,917)	-	-	-	-	(999,917)	-	(999,917)
Goodwill arising on consolidation	-	-	-	-	-	-	-	-	(37,749)	(37,749)
Reinstatement of Treasury Shares	-	-	-	-	-	-	-	-	-	-
<i>At 31 December 2014</i>	2,940,933	6,405,632	7,837,331	4,779,369	-	(140,120)	663,711	22,486,856	547,139	23,033,995

<b>COMPANY</b>	<b>Attributable to owners of the Company</b>							
	<b>Issued share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Contingency reserve</b>	<b>Other Components of Equity</b>	<b>Treasury Shares</b>	<b>Available-for-sale reserve</b>	<b>Total</b>
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
	2,940,933	6,405,632	2,140,666	-	-	(140,120)	-	11,347,111
<i>At 1 January 2015</i>	2,940,933	6,405,632	2,141,305	-	-	(140,120)	-	11,347,750
Profit or loss for the year	-	-	10,437	-	-	-	-	10,437
Dividend Paid	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
<i>At 31 March 2015</i>	2,940,933	6,405,632	2,151,742	-	-	(140,120)	-	11,358,187

<b>2014</b>	<b>Attributable to owners of the Company</b>							
	<b>Issued share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Contingency reserve</b>	<b>Other Components of Equity</b>	<b>Treasury Shares</b>	<b>Available-for-sale reserve</b>	<b>Total</b>
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
	2,940,933	-	-	-	-	-	-	2,940,933
<i>At 1 January 2014</i>	2,800,813	6,405,632	912,264	-	-	-	-	10,118,709
Profit or loss for the year	-	-	2,228,958	-	-	-	-	2,228,958
Transfer Between Reserves	-	-	-	-	-	-	-	-
Dividend paid	140,120	-	(999,917)	-	-	(140,120)	-	(999,917)
<i>At 31 December 2014</i>	2,940,933	6,405,632	2,141,305	-	-	(140,120)	-	11,347,750

CUSTODIAN AND ALLIED PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Cash and cash equivalents

	GROUP			COMPANY		
	At March		Dec	At March		Dec
	2015	2014	2014	2015	2014	2014
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Cash-in-hand	104	463	71	-	-	-
Balances held with local banks	1,395,473	1,922,723	1,194,902	9,921	2,511	26,233
Balances held in domiciliary accounts	2,514	137,861	156,493	-	-	-
Balances held with foreign banks	169,738	2,751	790,427	-	-	-
Reserve with Pension Custodian	183,199	121,812	183,199	-	-	-
Placements with banks	15,817,439	14,969,549	13,601,598	1,879,535	1,161,295	1,781,016
Impairment on cash and cash equivalents	(56,157)	(57,557)	(58,651)	-	-	-
	<u>17,512,310</u>	<u>17,097,602</u>	<u>15,868,039</u>	<u>1,889,456</u>	<u>1,163,806</u>	<u>1,807,249</u>

Bank placements are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company. All deposits are subject to an average variable interest rate of 11%p.a. (2013: 11%). Reserve with Pension Custodian relates to mandatory cash reserve placed with First Custodians Limited the custodian for our pension subsidiary's managed assets.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

5 Financial assets

The Company's financial assets are summarised by categories as follows:

	GROUP			COMPANY		
	At March		Dec	At March		Dec
	2015	2014	2014	2015	2014	2014
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Available-for-sale	4,090,250	3,063,816	4,083,178	-	-	-
Held-to-maturity - Amortised cost	7,904,260	1,703,782	6,971,249	-	-	-
Fair value through profit or loss	813,385	-	836,536	52,216	57,431	50,575
Loans and receivables	54,610	2,549,659	55,953	1,764	15	1,830
<b>Total financial assets</b>	<b>12,862,505</b>	<b>7,317,257</b>	<b>11,946,916</b>	<b>53,980</b>	<b>57,446</b>	<b>52,405</b>

(a) Available-for-sale

Quoted equity securities	511,590	509,033	571,019	-	57,431	-
Unquoted securities at cost	3,578,660	2,554,783	3,512,159	-	-	-
Total available-for-sale	<u>4,090,250</u>	<u>3,063,816</u>	<u>4,083,178</u>	<u>-</u>	<u>57,431</u>	<u>-</u>

Quoted equity securities were fair valued using quoted prices from the Nigerian Stock Exchange (NSE).

Unquoted securities were fair valued using the year's average market price from Over-the-counter market and where not available, a valuation based on average of five years' dividend received at the company's annual rate of return.

(b) Held-to-maturity - Amortised cost

Federal Government Bonds	601,287	-	536,647	-	-	-
State Government Bonds	484,405	-	512,049	-	-	-
Corporate Bonds	2,812,379	-	2,869,387	-	-	-
T/Bills and Tenor Deposits Greater than 90 days and Others	3,386,510	-	3,053,166	-	-	-
Impairment on held-to-maturity financial instruments	(2,279)	-	-	-	-	-
Total held-to-maturity	<u>7,282,302</u>	<u>-</u>	<u>6,971,249</u>	<u>-</u>	<u>-</u>	<u>-</u>

CUSTODIAN AND ALLIED PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

5 Financial assets - continued

(c) Loans and receivables

	GROUP			COMPANY		
	2015		At December	2015		At December
	2015	2014	2014	2015	2014	2014
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Corporate Loans	-	-	-	-	-	-
Loans to policy holders	19,953	-	17,925	-	-	-
Mortgage loans	-	-	10,921	-	-	-
Other loans	28,782	-	29,716	-	-	-
Staff Loans and advances	16,904	-	8,420	1,764	15	1,830
Impairment on loans and receivables	(11,029)	-	(11,029)	-	-	-
Total loans and receivables	<u>54,610</u>	<u>-</u>	<u>55,953</u>	<u>1,764</u>	<u>15</u>	<u>1,830</u>

6 Trade receivables

Insurance receivables	813,414	944,508	882,211	-	-	-
Impairment on insurance receivables	(671,902)	(613,476)	(690,732)	-	-	-
	<u>141,512</u>	<u>331,032</u>	<u>191,479</u>	<u>-</u>	<u>-</u>	<u>-</u>

7 Reinsurance assets

Claims recoverable	272,801	99,811	609,797	-	-	-
Reinsurer's share of outstanding claims	2,793,741	2,813,013	4,861,584	-	-	-
Reinsurance Assets - (Deferred Reinsurance outward)	3,957,416	7,458,233	2,294,021	-	-	-
Reinsurer's share of life insurance funds	24,669	-	(4,666)	-	-	-
	<u>7,048,627</u>	<u>10,371,057</u>	<u>7,760,736</u>	<u>-</u>	<u>-</u>	<u>-</u>

8 Deferred acquisition costs

At 1 January	556,955	497,828	372,021	-	-	-
Movement during the year	140,349	-	184,934	-	-	-
At end of the period	<u>697,304</u>	<u>497,828</u>	<u>556,955</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 9 Other receivables and prepayments

Interest Receivable	16,027	10,500	18,019	16,027	5,517	-
Management Fee Receivable	-	-	157,114	-	-	-
Deposit for assets	-	-	-	-	-	-
Deposit for shares	-	-	217,191	-	-	-
Due from related parties	-	(2,420)	-	1,806	108,612	74,648
Other debit balances	954,981	463,121	361,210	16,929	15,861	29,008
Prepayment	74,287	1,025,806	457,123	6,513	6,942	8,431
	1,045,295	1,497,007	1,210,657	41,275	136,932	112,087
Impairment on other receivables	(86,339)	(17,957)	(93,119)	(7,965)	-	(7,965)
	958,956	1,479,050	1,117,538	33,310	136,932	104,122

## CUSTODIAN AND ALLIED PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

### 10 Investment in subsidiaries

	GROUP		COMPANY			
	2015 =N='000	2014 =N='000	At December 2014 =N='000	2015 =N='000	2014 =N='000	At December 2014 =N='000
Crusader General Insurance Limited	-	-	-	3,584,607	3,584,607	3,584,607
Crusader Life Insurance Limited	-	-	-	1,184,717	1,184,717	1,184,717
Crusader Sterling Pensions Limited (Note 11i)	-	-	-	1,139,460	1,139,460	1,139,460
Crusader Trustees Limited	-	-	-	300,885	40,885	300,885
At the end of the year	-	-	-	6,209,669	5,949,669	6,209,669

Custodian and Allied Plc is the ultimate holding company with significant equity interests in the subsidiary companies as follows:

Subsidiary	Equity Interest	Segment	Place of Incorporation / Activity
Custodian and Allied Insurance Limited	100%	Property / Casualty Insurance	Nigeria
Custodian Life Assurance Limited	100%	Life Insurance	Nigeria
Crusader Sterling Pension Limited	76.55%	Pension Asset Management	Nigeria
Custodian Trustees Limited	100%	Trusteeship / company Secretarial Services	Nigeria

The company along with its subsidiaries make up the Custodian Group.

#### Significant Restrictions

The Group does not have any significant restrictions on its ability to access or use its assets and settle liabilities that exist within the group

#### Non Controlling interest in subsidiaries

The Group does not have any subsidiary that has material non-controlling interest.

### 11 Investment in associate

Investment in Ordinary shares (Note 11i)	-	556,638	-	-	-	-
Leadway Pensure Limited	668,166	-	668,166	409,891	409,891	409,891
	668,166	556,638	668,166	409,891	409,891	409,891

i. The Group has a 24.44% (2013: 25.26%) interest in the ordinary share capital of Leadway Pensure Limited which is involved in the administration and management of Pension Fund Assets. Leadway Pensure Limited is a private entity that is not listed on any public exchange and there are no published price quotations for the fair value of this investment. The reporting date and reporting year of Leadway Pensure Limited are the same as the Group. Leadway Pensure Limited issued additional shares to its executive directors during the year thereby proportionately diluting the shareholding of existing shareholders.

### 12 Investment properties

At 1 January	7,350,811	6,309,466	6,309,466	3,515,000	3,055,000	3,055,000
Additions	24,297	-	229,425	22,878	-	7,250
Fair value gains	-	-	835,920	-	-	452,750
Reclassifications (Note 14)	-	-	-	-	-	-
Disposals during the year	(35,000)	-	(24,000)	-	-	-
Adjustments	-	1,537	-	-	-	-
At 31 December	7,340,108	6,117,720	7,350,811	3,537,878	3,055,000	3,515,000

## CUSTODIAN AND ALLIED PLC NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

### 12 Investment properties - continued

i. Investment properties are stated at fair value, which has been determined based on valuations performed by Barin Epega & Company and Bolu Tokun & Company as at 31 December 2014. Barin Epega & Company and Bolu Tokun & Company are industry specialists in valuing these types of investment properties. They are registered with the Financial Reporting Council of Nigeria (FRC) (2012/NIESV.0000000597 and FRC/2013/NIESV.00000001425, respectively). The fair value was determined based on the capitalization of net rental income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. This is also supported by market evidence and represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation, in accordance with the standards issued by the International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are reported in income statement. There has been no change to the valuation technique during the year.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Company has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

**13 Intangible assets - Group**

	<b>Goodwill</b>	<b>Computer software</b>	<b>Total</b>
	<b>=N='000</b>	<b>=N='000</b>	<b>=N='000</b>
At 1 January, net	-	<b>84,361</b>	<b>84,361</b>
Additions	-	1,239	1,239
Impairment/amortization	-	<b>(8,618)</b>	<b>(8,618)</b>
At Period End	-	<b>76,982</b>	<b>76,982</b>

CUSTODIAN AND ALLIED PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

14 Property, plant and equipment - Group	Freehold property	Office equipment	Computer equipment	Furniture and fittings	Motor Vehicles	Total
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
<b>Cost/Valuation</b>						
At 1 January	2,098,154	269,814	292,156	222,523	533,045	3,415,692
Additions	3,000	12,598	4,406	4,510	12,690	37,204
Reclassifications	-	-	-	-	-	-
Disposals	-	(11,341)	-	-	(2,385)	(13,726)
At 31 March 2015	2,101,154	271,071	296,562	227,033	543,350	3,439,170
<b>Accumulated depreciation</b>						
At 1 January	130,261	176,686	237,192	142,804	259,328	946,271
Charge for the year	14,737	11,770	7,585	8,618	31,108	73,818
Reclassifications	-	-	-	-	-	-
Disposals	-	(10,040)	-	-	(2,385)	(12,425)
At 31 March 2015	144,998	178,505	244,688	151,422	288,051	1,007,664
<b>Net book value</b>						
At 31 March 2015	1,956,156	92,566	51,874	75,611	255,299	2,431,506
At 31 December 2014	1,967,893	93,128	54,964	79,719	273,717	2,469,421

CUSTODIAN AND ALLIED PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

14 Property, plant and equipment - Company	Office equipment	Computer equipment	Furniture and fittings	Motor Vehicles	Total
	=N='000	=N='000	=N='000	=N='000	=N='000
<b>Cost/Valuation</b>					
At 1 January 2015	2,600	684	9,424	41,300	54,008
Additions	12	-	-	-	12
Disposals / Retirement	-	-	-	-	-
At 31 March 2015	2,612	684	9,424	41,300	54,020
<b>Accumulated depreciation</b>					
At 1 January 2015	1,147	203	5,214	7,906	14,470
Charge for the year	162	43	471	2,581	3,257
Disposals / Retirement	-	-	-	-	-
At 31 March 2015	1,309	246	5,685	10,487	17,727
<b>Net book value</b>					
At 31 March 2015	1,303	438	3,739	30,813	36,293
At 31 December 2014	1,453	481	4,210	33,394	39,538

15 Statutory deposits	GROUP		COMPANY		
	2015	2014	2014	2015	2014
	=N='000	=N='000	=N='000	=N='000	=N='000
Statutory deposit	850,000	850,000	850,000	-	-

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. Statutory deposits are measured at cost and attract interest rate at a rate determined by the Central Bank of Nigeria.

CUSTODIAN AND ALLIED PLC  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

16 Insurance contract liabilities	GROUP		COMPANY		
	2015	2014	2014	2015	2014
	=N='000	=N='000	=N='000	=N='000	=N='000
Outstanding claims	14,009,499	7,113,353	13,264,388	-	-
Provision for unearned premiums	-	8,599,566	-	-	-
Life fund	2,633,970	1,973,080	2,542,395	-	-
	16,643,469	17,685,999	15,806,783	-	-
<b>17 Investment contract liabilities</b>					
Welfare	2,280,182	2,932,946	2,496,993	7	-



Annuity	477,554	91,981	533,339	-	-
	<u>2,757,736</u>	<u>3,024,927</u>	<u>3,030,332</u>	-	-
<b>18 Trade payables</b>					
Reinsurance and Co-insurance Claims	937,729	665,535	1,017,239		
Welfare Scheme			275,903		
Due to Brokers and Agents			107,990		
Premium received in advance			307,949		
	<u>937,729</u>	<u>665,535</u>	<u>1,709,081</u>	-	-

**19 Other payables**

Staff pension	1,424	4,415	1,424	1,424	1,423	1,424
Non Trade payable	300,596	374,955	103,551	-	-	-
Statutory payables	82,111	49,697	240,004	69,451	40,084	69,794
Information Technology development levy	13,862	4,731	-	-	-	-
Provision and Accruals	-	280,873	310,524	-	-	22,008
Coinsurers' Claims	-	-	-	-	-	-
Tenants' Security Deposit	16,673	-	-	16,673	-	-
Due to related party	651	404,949	-	-	404,964	5,900
Unclaimed Dividend	319,528	-	244,621	319,528	-	244,621
Unearned income	364,597	7,488	524,240	13,755	-	54,071
Sundry creditors	557,956	915,134	57,240	24,670	43,308	36,168
	<u>1,657,398</u>	<u>2,042,242</u>	<u>1,481,604</u>	<u>445,501</u>	<u>489,779</u>	<u>433,986</u>

**20 Taxation**
**Per profit and loss account:**

Income tax based on profit for the period	379,298	212,607	767,405	10,000	-	64,067
Education and ITDL tax for the period	-	-	16,813	-	-	647
Underprovision in prior year	-	-	-	-	-	-
Capital gains tax	-	-	1,984	-	-	-
	<u>379,298</u>	<u>212,607</u>	<u>786,202</u>	<u>10,000</u>	<u>-</u>	<u>64,714</u>
Deferred taxation	-	-	273,841	-	-	268,272
Tax charge to profit and loss	<u>379,298</u>	<u>212,607</u>	<u>1,060,043</u>	<u>10,000</u>	<u>-</u>	<u>332,986</u>

**CUSTODIAN AND ALLIED PLC**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued**
**20 Taxation - continued**

	GROUP			COMPANY		
	2015 =N='000	2014 =N='000	At December 2014 =N='000	2015 =N='000	2014 =N='000	At December 2014 =N='000
<b>Current income tax</b>						
<b>Per Balance Sheet:</b>						
At 1 January	1,116,653	1,207,501	1,207,501	88,516	89,315	89,315
Arising on Business Combination	-	-	-	-	-	-
Based on profit for the period	379,298	212,607	786,202	10,000	-	64,714
Payments during the period	(58,002)	(1,801)	(895,256)	-	(16,303)	(66,160)
At the end of the period	<u>1,437,949</u>	<u>1,418,307</u>	<u>1,098,447</u>	<u>98,516</u>	<u>73,012</u>	<u>87,869</u>

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act CAP C21 LFN 2004 (as amended). The charge for education tax is based on the provisions of the Education Tax Act CAP E4 LFN 2004. Minimum tax requirement was used for the Company for the year as the tax computed on the assessable profit is lower than the alternative minimum tax.

**21 Deferred tax liabilities**

	GROUP			COMPANY		
	2015 =N='000	2014 =N='000	At December 2014 =N='000	2015 =N='000	2014 =N='000	At December 2014 =N='000
Losses available for offsetting against future taxable income	(489,977)	279,630	(489,977)	(422,439)	-	(422,439)
Fair value gains on investment properties	1,003,828	-	1,003,828	791,569	-	791,569
Accelerated depreciation for tax purposes	172,312	-	172,311	6,486	-	6,486
Tax credit on capital allowance	(107,344)	-	(107,344)	(107,344)	-	(107,344)
	<u>578,819</u>	<u>279,630</u>	<u>578,818</u>	<u>268,272</u>	<u>-</u>	<u>268,272</u>

Reconciliation of deferred tax liability is as shown below:

At 1 January	578,819	304,978	-	-	-
Arising on acquisition	-	-	-	-	-
Amounts recorded in the income statement	-	273,841	-	-	268,272
At the end of the period	<u>578,819</u>	<u>578,819</u>	<u>578,819</u>	<u>-</u>	<u>268,272</u>

**22 Interest-bearing loans and borrowings**

Borrowings	<u>2,095,368</u>	<u>1,922,758</u>	<u>2,125,363</u>	<u>-</u>	<u>-</u>	<u>-</u>
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On March 20 2012, Custodian and Allied Insurance Limited issued a subordinated debt of US\$ 12.5 million to International Finance Corporation (IFC). The loan is unsecured and interest is payable at the London interbank offered rate plus a margin of 4.5% per annum.

The conversion period commences 12 months after the date of first disbursement. During the conversion period, IFC shall have the right to convert all or a portion of the outstanding principal amount of the loan (in Naira equivalent as determined by IFC based on the Naira/Dollar exchange rate published by the CBN) into such number of shares in the capital of the borrower which will give IFC no more than 10% of the issued share capital of the borrower equal to the principal amount of the IFC may exercise its conversion rights by delivering notice specifying whether the entire loan or a portion of it is to be converted and the date on which the shares are delivered the notice of conversion during the conversion period and can exercise the conversion 3 times during the conversion period. IFC shall receive in respect of Shares issued to IFC upon any exercise of the conversion right shall be freely transferrable and shall in any respects rank pari-passu with all other shares. The shares do not have any dilutive factors as at the reporting date as it is not yet within the conversion period.

The conversion price is N3.50 per share plus 5% premium for each year of the conversion period. The exact conversion price over the conversion period is as follows:

Year Price

2013	3.675
2014	3.85
2015	4.025

The principal amount of US\$12.5 million is due for repayment from March 2016.

The outstanding balance on the IFC loan was valued at N155.7 to a dollar which is the Naira/Dollar exchange rate published by CBN as at the reporting date.

CUSTODIAN AND ALLIED PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

23 Issued share capital and reserves	GROUP			COMPANY		
	2015	2014	At December	2015	2014	At December
	=N='000	=N='000	2014	=N='000	=N='000	2014
<b>Authorised</b>						
7,000,000,000 Ordinary shares of 50k each	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
<b>Issued:</b>						
5,881,866,000 Ordinary shares of 50k each	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933
<i>Movement during the year is as shown below:</i>						
At 1 January	2,940,933	2,940,933	2,940,933	2,940,933	3,792,647	2,940,933
Additional Shares Issued During the year	-	-	-	-	(851,714)	-
At 31 December	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933	2,940,933
<b>24 Share premium</b>						
At 1 January	6,405,632	6,405,632	2,800,232	6,405,632	2,800,232	6,405,632
Increase during the year	-	-	-	-	-	-
Net Movement during the year on combination	-	-	3,605,400	-	3,605,400	-
At 31 December	6,405,632	6,405,632	6,405,632	6,405,632	6,405,632	6,405,632

## 25 Reserves

The nature and purpose of the reserves in equity are as follows:

### **Retained earnings**

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

### **Contingency reserve**

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap 117 LFN 2004.

### **Other components of equity**

This reserve contains the equity components of the issued unsecured convertible debenture stock. The liability components are reflected in financial liabilities.

### **Available-for-sale**

The fair value reserve shows the effects from the fair value measurement of financial instruments of the category available-for-sale after deduction of deferred taxes. Any gains or losses are not recognised in the statement of comprehensive income until the asset has been sold or impaired.

**CUSTODIAN AND ALLIED PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued**

	GROUP		COMPANY	
	2015	2014	2015	2014
	=N='000	=N='000	=N='000	=N='000
<b>26 Gross Revenue</b>				
Gross Premium Income	4,772,588	5,567,016	-	-
Investment Income	587,780	464,179	67,551	133,646
Fees and Commission	610,262	537,009	-	-
Other Operating Income	519,979	134,992	4,817	3,457
	<u>6,490,609</u>	<u>6,703,196</u>	<u>72,368</u>	<u>137,103</u>
<b>27 Operating Expenses</b>				
Reinsurance Expenses	1,937,330	3,029,377	-	-
Underwriting Expenses	546,535	497,621	-	-
Net Claims	947,376	806,881	-	-
	<u>3,431,241</u>	<u>4,333,879</u>	<u>-</u>	<u>-</u>
<b>28 Net fair value gains/(losses)</b>				
Changes in Fair Value of Quoted Investments	1,692	-	1,692	-
Fair value gains/(loss) on investment	-	-	-	-
	<u>1,692</u>	<u>-</u>	<u>1,692</u>	<u>-</u>
<b>29 Realized Gains (Listed Equities and Others)</b>				
<i>On property and equipment:</i>				
Profit on disposal of property and equipment	-	-	-	-
Profit on disposal of investment property	-	-	-	-
<i>Available for sale:</i>				
Realised gains on equity securities	-	-	3	-
	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>

**CUSTODIAN AND ALLIED PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued**

	GROUP		COMPANY	
	2015	2014	2014	2013
	=N='000	=N='000	=N='000	=N='000
<b>30 Management expenses</b>				
Staff cost	362,195	-	11,307	10,636
Auditors' remuneration	750	-	-	-
Amortisation of intangible assets	3,936	-	-	-
Depreciation on property, plant and equipment	73,818	-	3,257	3,751
Impairment loss on insurance receivable	-	-	-	-
Impairment losses on loans and receivables	-	-	-	-
Marketing and administration expenses	111,449	-	-	-
Other expenses	611,182	1,010,294	39,062	16,579
	<u>1,163,330</u>	<u>1,010,294</u>	<u>53,626</u>	<u>30,966</u>
<b>31 Finance costs</b>				
Interest on convertible debenture stock	<u>29,995</u>	<u>25,589</u>	<u>-</u>	<u>-</u>
<b>32 Net gain/(losses) on available-for-sale assets</b>				
Unrealised gain/(loss) on available-for-sale financial instruments during the year, net of tax	(42,927)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(42,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-42,927</u>	<u>-</u>	<u>-</u>	<u>-</u>

**33 Earnings/(loss) per share**

Basic earnings/(losses) per share amount is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the number of ordinary shares outstanding at the reporting date.

The following reflects the earnings/(losses) and share data used in the basic earnings/(losses) per share computations:

	GROUP		COMPANY	
	2014	2013	2014	2013
	=N='000	=N='000	=N='000	=N='000
Net profit/(loss) attributable to ordinary shareholders (=N='000)	<u>1,444,002</u>	<u>1,088,234</u>	<u>10,437</u>	<u>106,137</u>
Number of ordinary shares in issue as at year end ('000)	<u>5,881,866</u>	<u>5,881,866</u>	<u>5,881,866</u>	<u>5,881,866</u>
Basic earnings/(losses) per ordinary share (kobo)	<u>25</u>	<u>19</u>	<u>0</u>	<u>2</u>
Diluted earnings/(losses) per ordinary share (kobo)	<u>25</u>	<u>19</u>	<u>0</u>	<u>2</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.